

COVINGTON & BURLING

888 SIXTEENTH STREET, N. W.

WASHINGTON, D. C. 20006

TELEPHONE (202) 293-3300

JOHN SHERMAN COOPER
EDWIN S. COHEN
OF COUNSEL

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H. WAKEFARM

TWX: (710) 822-0005
TELEX: 89-593
CABLE: COVLING

January 25, 1974

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To: The Committee of Counsel

Gentlemen:

We are enclosing a memorandum report of the meeting which industry representatives had with Federal Trade Commission representatives on January 18, 1974, relating to "tar" and nicotine testing.

In summary, the basic industry objectives of the meeting were accomplished. We were informed that the Commission has resolved the problem of rounding which created inconsistencies in the last series of published results. The Commission people were made aware that Commission testing is subject to careful scrutiny by the industry. Concern was expressed about the large number of deletions of data by the Commission's testing laboratory, and there is reason to believe that it will adopt more careful procedures. The entire conference was conducted in an atmosphere of cooperation, rather than confrontation.

Following the meeting, the industry representatives prepared a memorandum setting forth the various points which had been raised at the meeting. That memorandum is entitled "Memorandum of Industry Suggestions," and a copy is enclosed. This document merely represents an undating of an earlier memorandum circulated to each of you on July 5, 1973, which set forth an agenda for the proposed meeting.

It is our recommendation that this memorandum not be forwarded to the Commission at this time because the points advanced were understood by the Commission

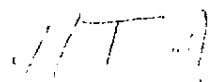
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representatives at the meeting and because we do not think it desirable to encourage an adversary posture. The memorandum should, however, be retained for possible submission to the Commission at some future time.

Please let us know whether you disagree with this recommendation.

Sincerely yours,



HTA:emf

cc: Horace R. Kornegay, Esq. (w/enc)
Enclosures

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